



**Management Presentation**

**January 2009**





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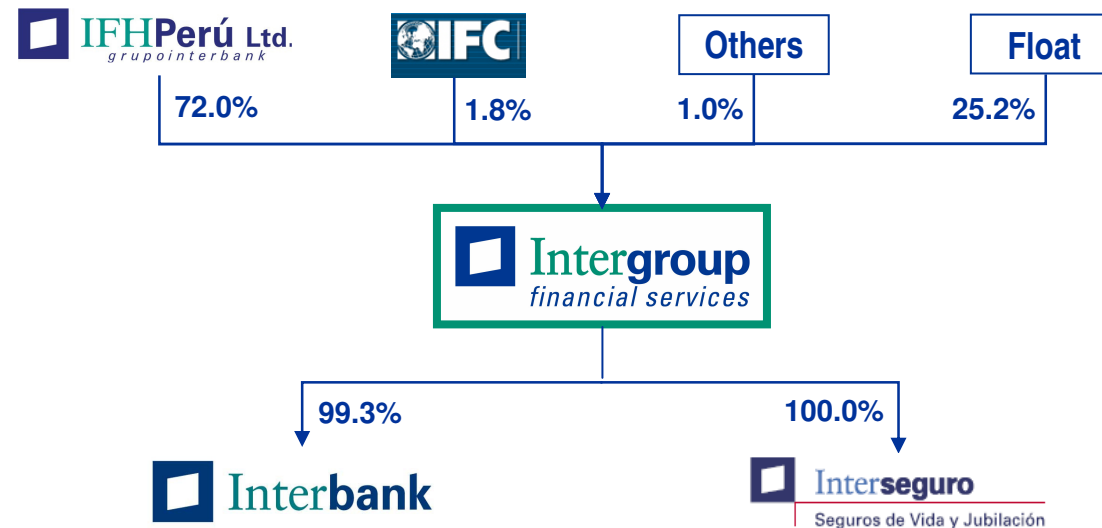
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- 1. Peru: Best Performing Economy in Latin America**
- 2. Strong and Growing Financial System**
- 3. Leading Franchise in Financial Services**
- 4. Management Team With Deep Domestic and International Experience**
- 5. Demonstrated Ability to Deliver Results**

# Intergroup – A Leading Financial Services Company in Peru



- ▶ # 2 provider of consumer loans
- ▶ # 2 provider of credit card financing
- ▶ # 4 bank by total loans and deposits
- ▶ Extensive retail network:
  - 200 financial stores
  - 1,300 ATMs (largest network in Peru)
  - Over 1.2 million customers
- ▶ # 2 provider of annuities
- ▶ # 4 insurance company by total premiums

# Intergroup – Financial Highlights



Intergroup Financial Highlights (\$/. million)				
	2006	2007	2008 3Q	2004-2008 3Q CAGR
Total Assets	9,097	11,958	15,797	24.7%
Total Loans <sup>(1)</sup>	4,118	6,059	7,957	29.1%
Retail Loans <sup>(1) (2)</sup>	2,129	2,943	4,012	32.9%
Total Deposits	5,761	7,261	9,407	22.6%
Shareholder' Equity <sup>(3)</sup>	762	1,319	1,362	29.9%
Net Income <sup>(4)</sup>	188	277	191	
ROE	28.2%	26.1%	10.6%	
ROA	2.2%	2.7%	1.0%	
NIM (Interbank)	8.2%	8.1%	7.6%	
PDLs / Total Loans	1.9%	0.9%	1.0%	

(1) Includes only performing loans. Performing loans refers to current loans and excludes restructured and refinanced loans.

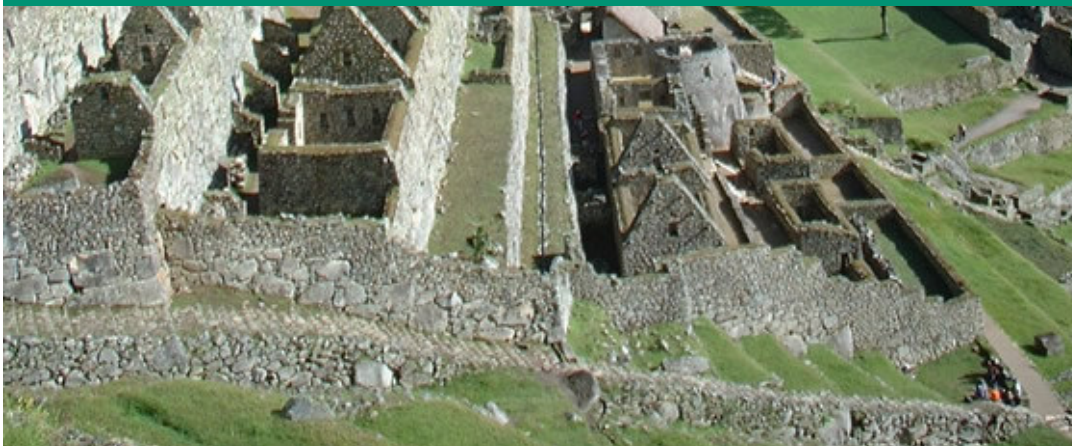
(2) Includes all consumer and mortgage loans.

(3) Shareholders' equity excludes minority interest.

(4) Net income attributable to Intergroup shareholders.



# 1. Peru: Best Performing Economy in Latin America



# Global Economic Perspectives Are Negative



## Global GDP Growth Projections (% change)

	2008E	2009E
<b>Industrialized Economies</b>		
Global	3.1	0.2 - 0.9
G7	0.9	(2.0) - (0.1)
EEUU	1.2	(2.0) - (0.5)
Eurozone	0.9	(2.5) - (0.6)
Japan	0.3	(1.7) - (0.1)
<b>Developing Economies</b>		
China	9.1	7.0 - 7.5
India	7.2	4.8 - 5.8
Latin America	4.3	1.6 - 2.1

Source: Citibank Economic and Market Analysis, Deutsche Bank Global Markets Research, World Bank

- The fall in asset prices will continue to restrict credit availability
- Investment has contracted at a global level
- The downturn in consumption in Europe and the United states could be prolonged
- Fiscal stimulus packages will partially offset the impact of lower consumption and investment
- However, a protracted recession is projected with GDP contractions of around 2% in the industrialized world

# The Global Recession Will Impact Latin America



## Latin America GDP Growth Projections (%)

	2008E	2009E
Latin America	4.3	1.6 - 2.1
Brasil	5.2	2.2 - 2.8
Mexico	1.9	(0.2) - 1.1
Chile	3.9	2.3 - 3.4
Argentina	6.2	(0.9) - 2.9
Colombia	4.0	2.2 - 2.6
Peru	9.4	4.0 - 6.5

Source: BCRP, Citibank Economic and Market Analysis, Deutsche Bank Global Markets Research, World Bank

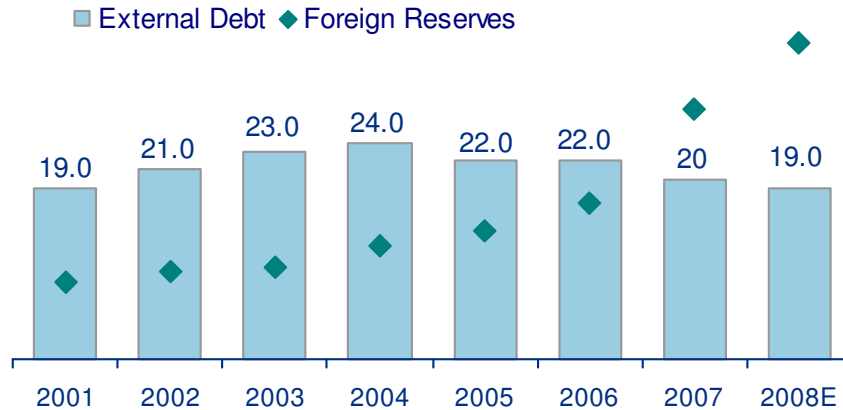
- Economic activity has kept up better in Latin America than in the industrialized economies
- Most of the economies in the region exhibit low levels of debt and count with sufficient local funding
- Nonetheless, the region is facing negative pressure from :
  - Lower global demand
  - Lower commodity prices
  - Restricted access to credit
  - Currency depreciation
  - Reduction in foreign direct investment
- Countries with higher reserves and a stronger fiscal position are best prepared to withstand the crisis



# However, Peru Continues to Show Solid Economic Performance



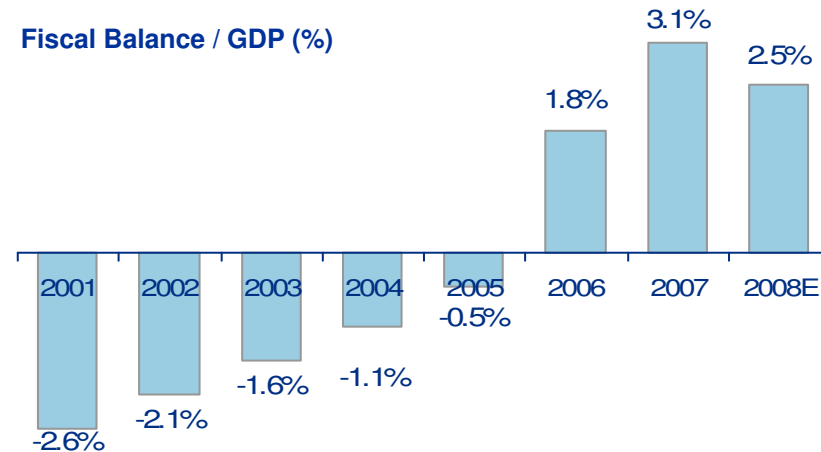
## Foreign Reserves Exceed External Debt (Billions of USD)



Source: BCRP

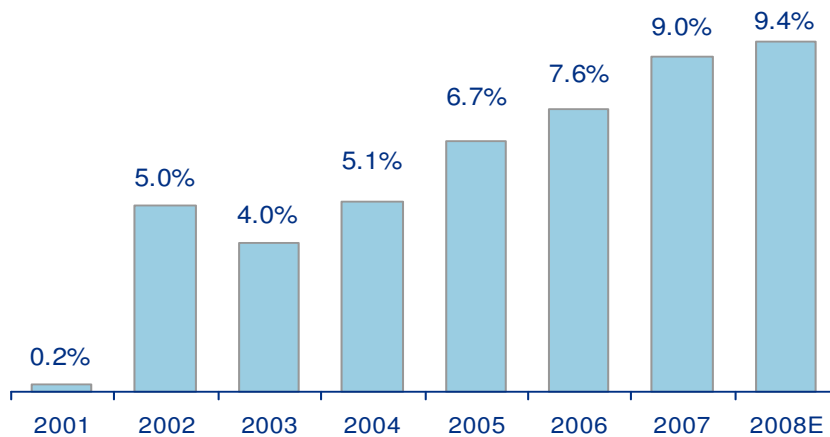
## Responsible Fiscal Policy

### Fiscal Balance / GDP (%)



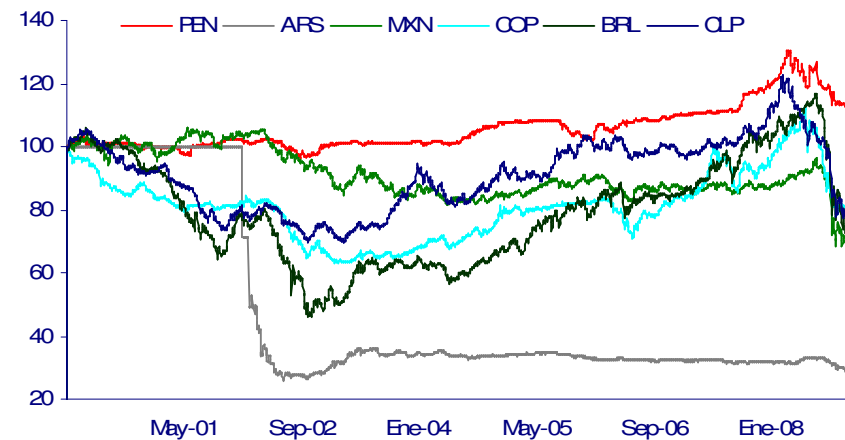
Source: BCRP

## GDP Growth (% YoY)



Source: BCRP

## Most Stable Currency in the Region



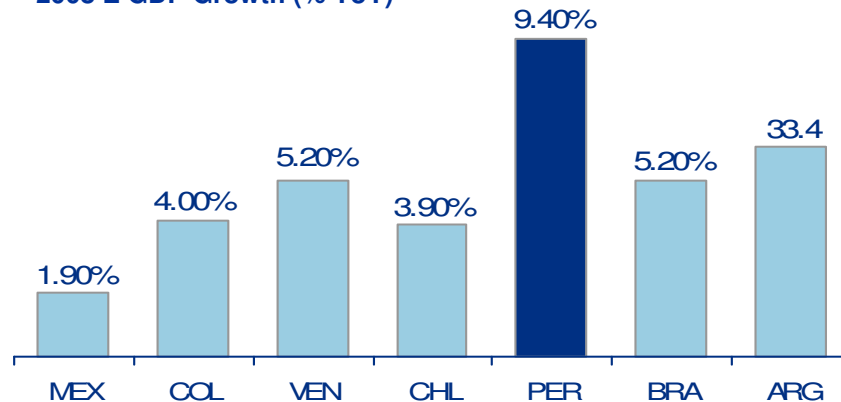
Source: Bloomberg

# And Holds a Stronger Position than Most Countries in the Region



## Fastest Growing Economy Among Peers

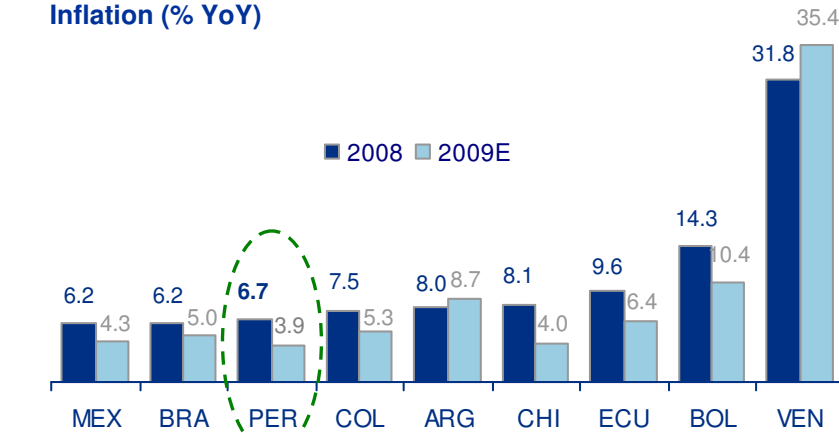
2008 E GDP Growth (% YoY)



Source: Deutsche Bank Global Markets research

## Price Stability

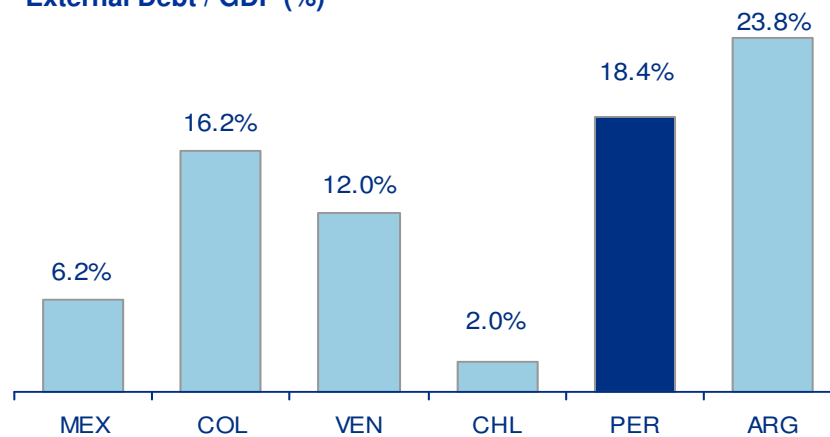
Inflation (% YoY)



Source: Consensus Forecast

## Improving External Debt Balance

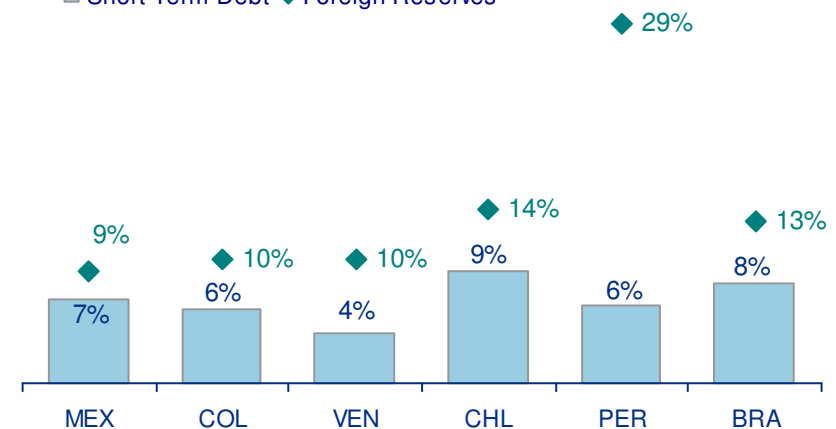
External Debt / GDP (%)



Source: FELABAN, Dec 2007

## Foreign Reserves and Short Term Debt (% of GDP)

Short-Term Debt Foreign Reserves

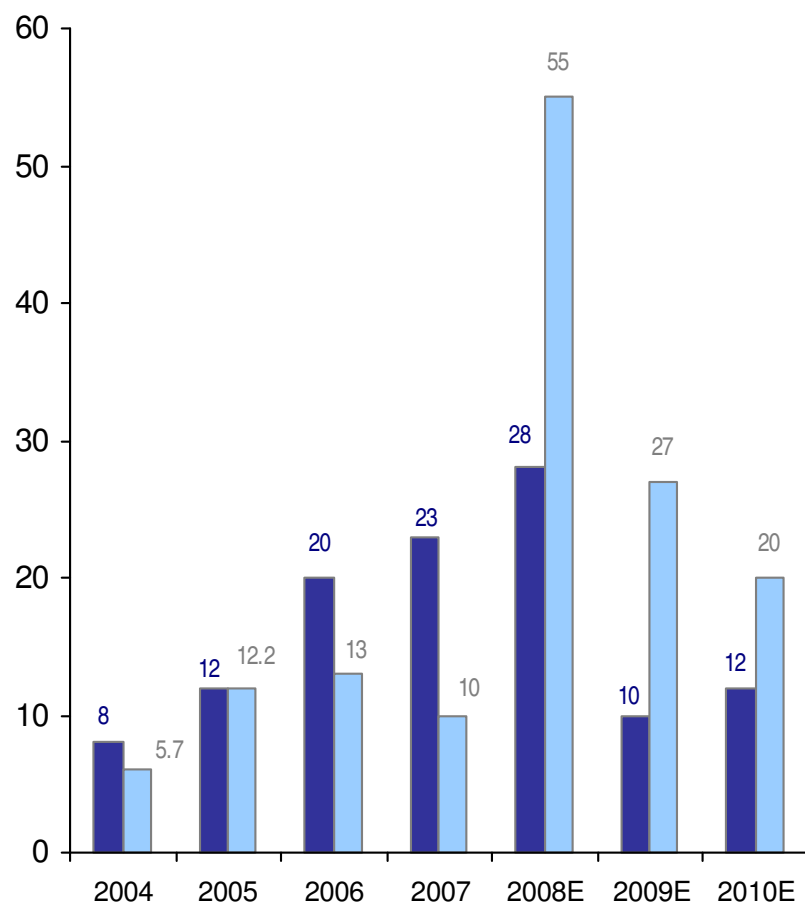


Source: BCRP, Dec 2007

# Investment Overall Will Maintain a Healthy Pace



## Private and Public Investment (% change YoY)



Source: MEF

## Private Investment Projects 2008-2010

Industry	Number of Projects	Investment (USD Million)
Minings	18	11,100
Fuel	9	5,168
Electricity	17	5,128
Telecom	4	1,953
Industrial	14	4,343
Infrastructure	16	3,711
Agro-Industria	11	752
Fishing	4	160
Waste	3	561
Others	22	2,574
<b>Total</b>	<b>118</b>	<b>35,450</b>

Source: MEF

## Government Stimulus Plan

- Increase government expenditure by USD 3.2 Billion, equivalent to 2.47% of GDP; half in investment projects and half to facilitate financing for the private sector
- Increase public spending backed by large fiscal savings
- Reduce bank reserve requirements and mortgage interest rates
- Extend credit to small and medium businesses, emphasis on export oriented firms
- Reduce queue time for private investment projects awaiting government approval

# Peru is Highly Connected to Global Markets



## Bilateral Investment Agreements

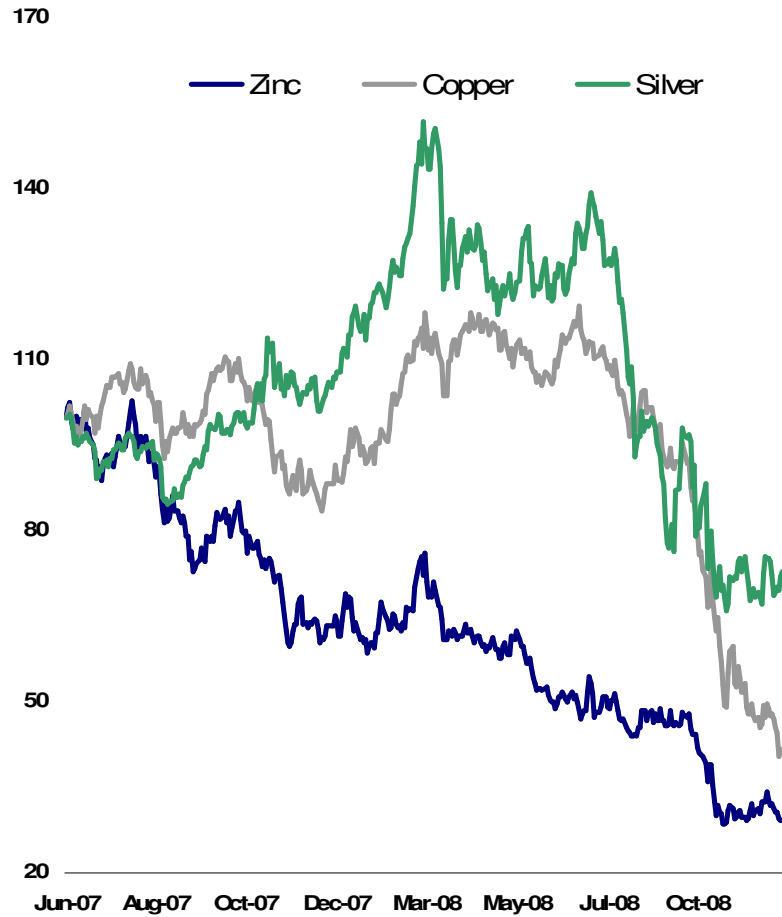


Source: MEF  
Includes agreements to be signed shortly

# Fiscal Vulnerability to Commodity Prices is Relatively Low

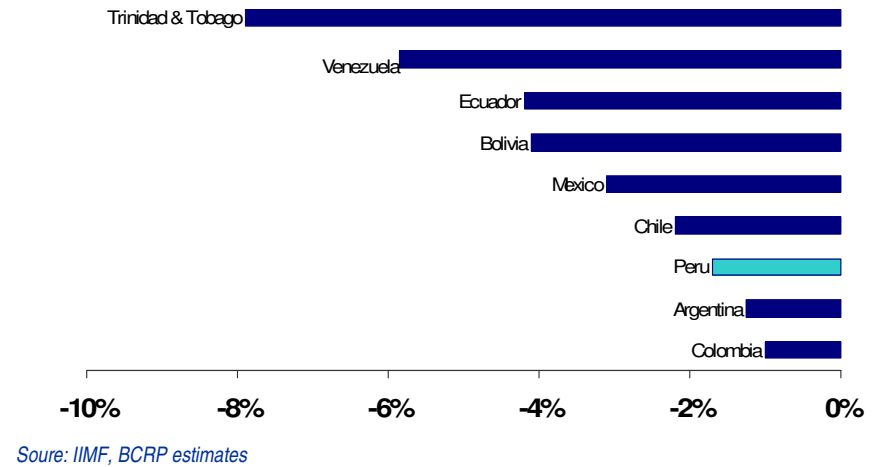


**Metal Prices (2007 = 100)**

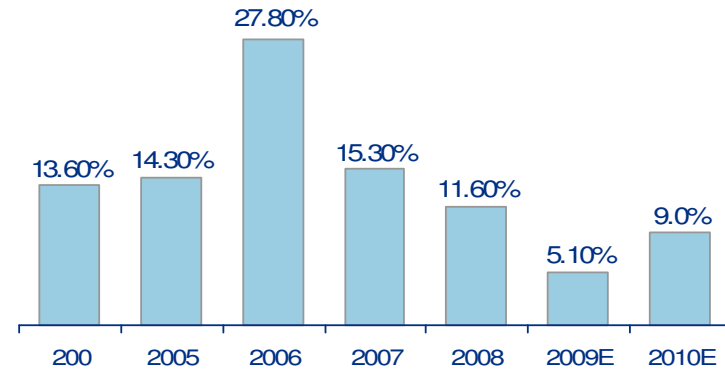


Source: Bloomberg

**Fiscal impact of a 35% fall in Commodity Prices  
(% of GDP)**



**Fiscal Revenue (% change YoY)**



Source: MEF

# Despite the global Slowdown, the Peruvian Economy will Continue to Grow



<b>Key Economic Statistics</b>					
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008E</b>	<b>2009E</b>
<b>Real Sector</b>					
GDP (% change)	6.7	8.0	9.0	9.4	4.0 - 6.5
Private Investment (% change)	12.0	20.1	23.4	23.0	5.0 - 10.0
<b>Prices</b>					
Inflation	1.5	1.1	3.9	6.6	2.5 - 3.6
Exchange Rate	3.43	3.21	2.98	3.00	3.10 - 3.25
<b>Public Sector</b>					
Annual Tax Revenue (% of GDP)	14.0	14.9	15.6	15.4	13.9 - 14.3
Public Sector Deficit (% GDP)	(0.3)	2.1	3.1	2.7	(0.6) - 0.6
<b>External Sector</b>					
Current Account (% of GDP)	1.4	2.6	1.4	(3.0)	(4.9) - (4.2)
Foreign Reserves (US\$ Billion)	14.1	17.3	27.7	30.0	26.0 - 28.0

Source: BCRP, IPE, Apoyo Consultoria



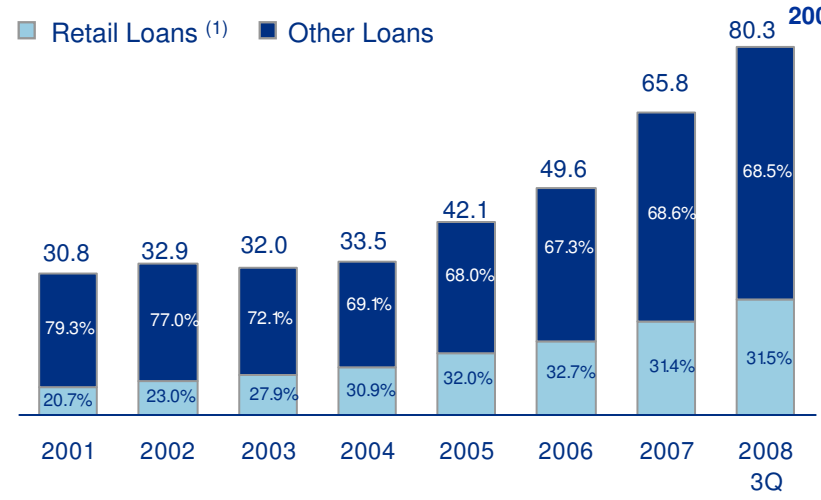
## 2. Strong and Growing Financial System



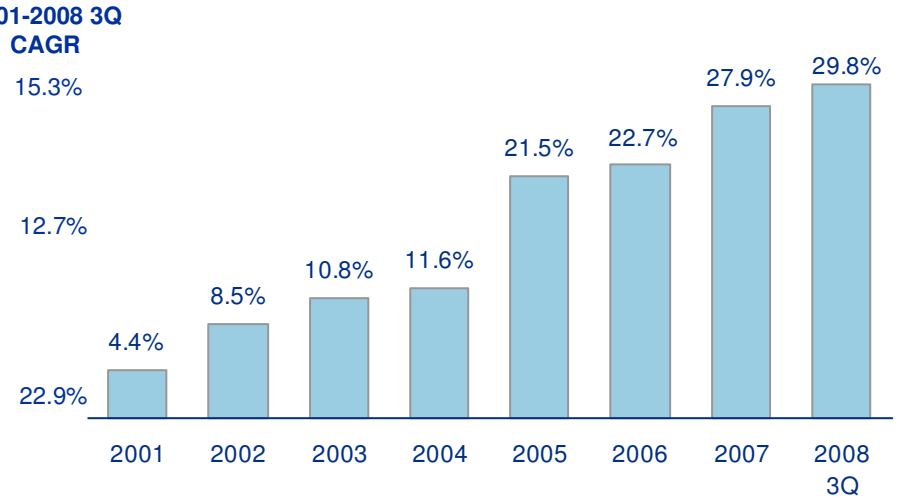
# Strong Fundamentals Driving Profitable Growth in Banking



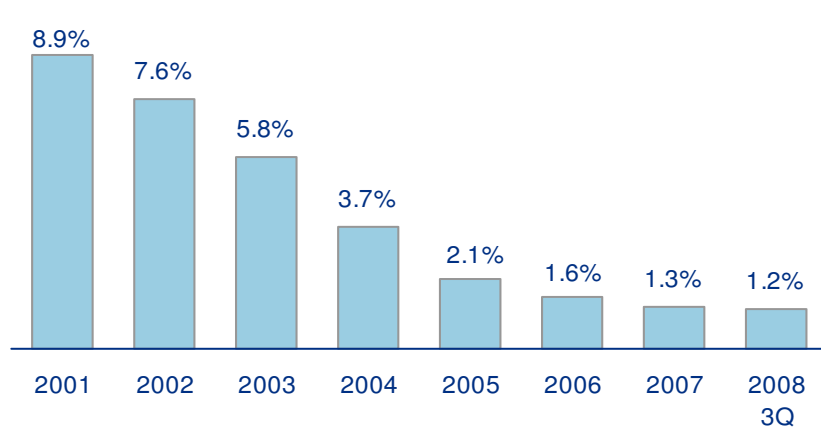
**Performing Loans (\$/ billion)**



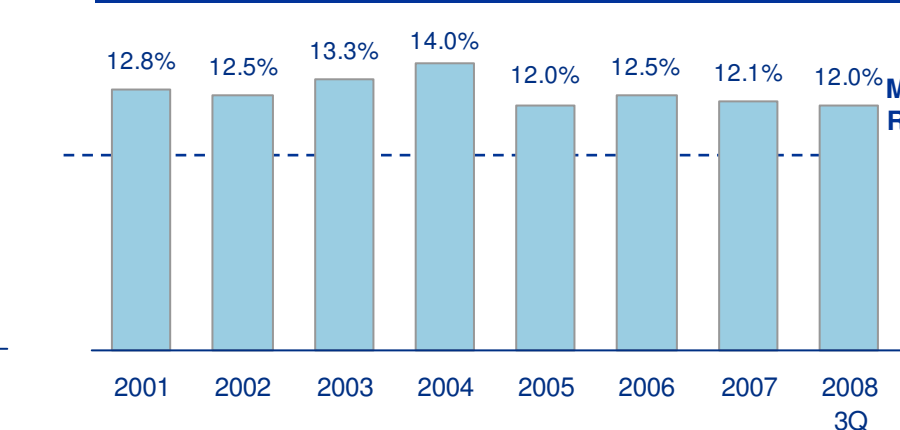
**ROAE (%) (2)**



**PDLs / Total Loans (%)**



**Capital / Risk-Weighted Assets (%)**



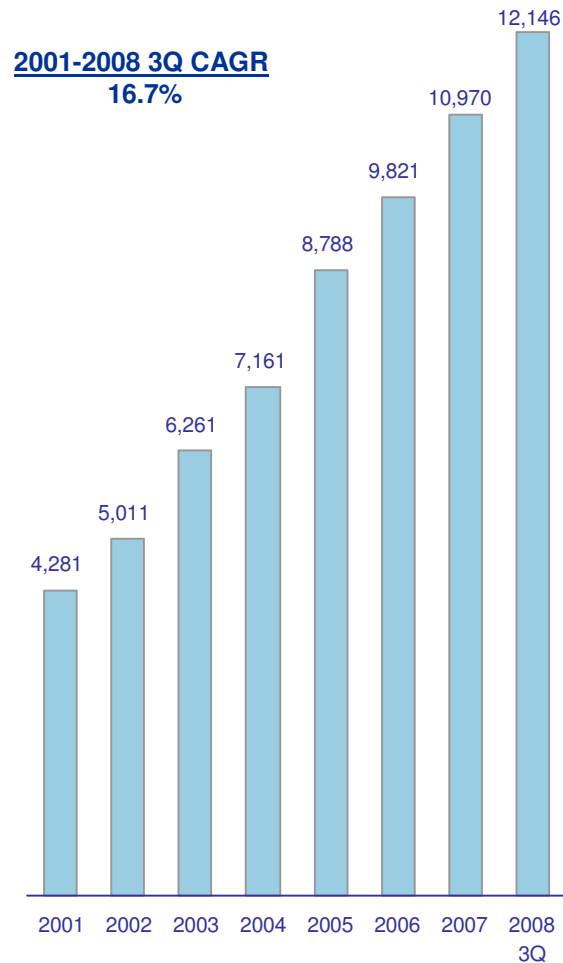
Source: SBS as of September 30, 2008.  
 (1) Includes consumer and mortgage loans.  
 (2) Calculated in Soles.



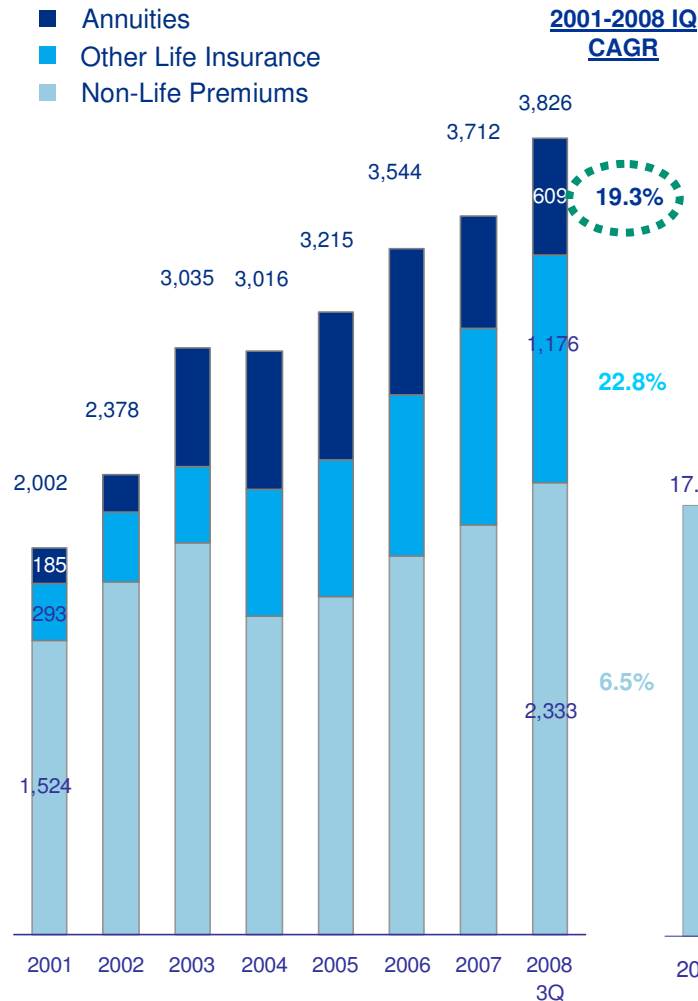
# Growing and Profitable Insurance Sector



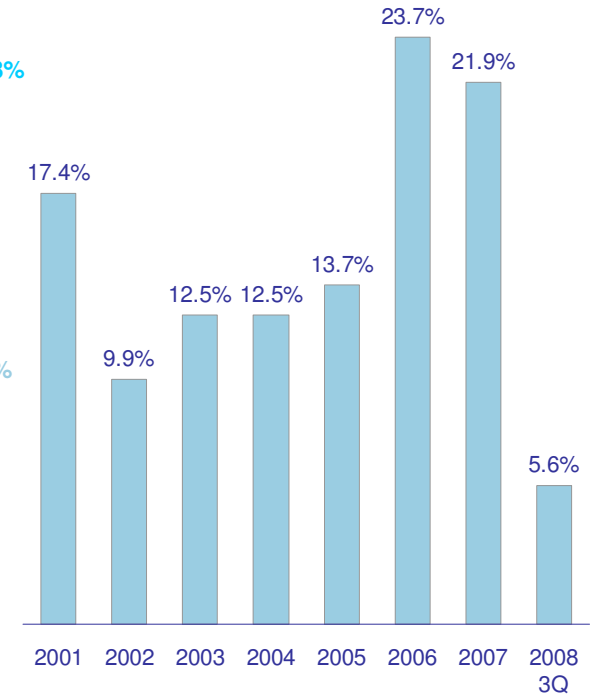
## Total Assets (\$/. million)



## Total Premiums (\$/. million)



## ROE (%) <sup>(1)</sup>

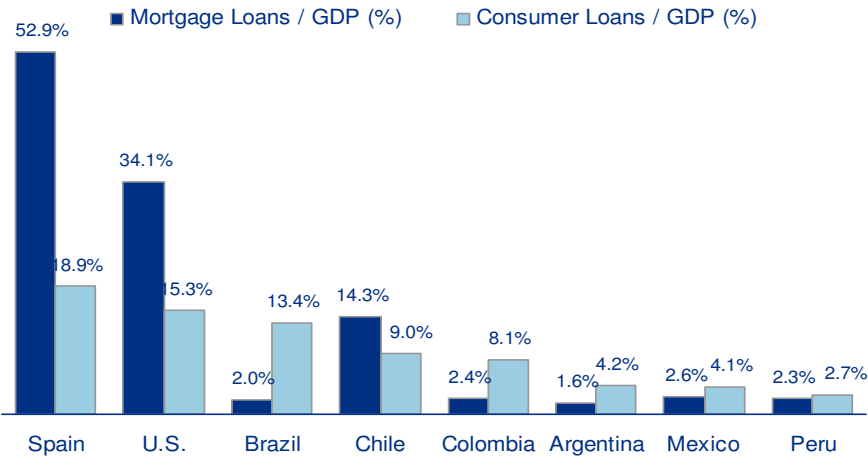


Source: SBS as of September 30, 2008.  
(1) Calculated in Soles.

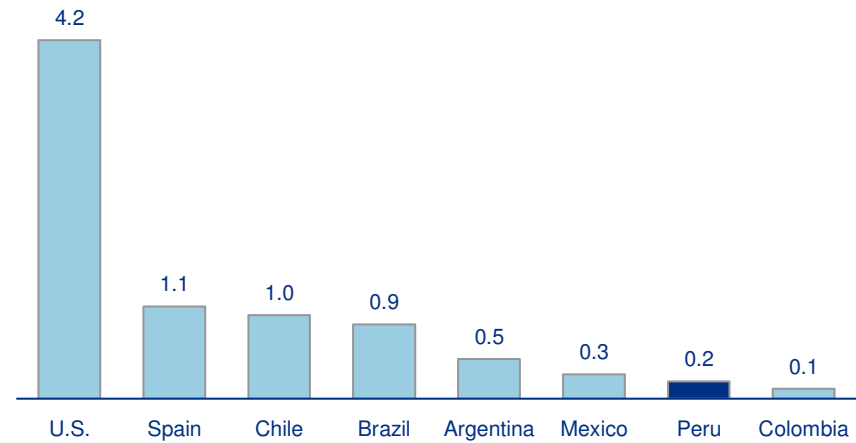
# Underpenetrated Banking and Insurance Sectors



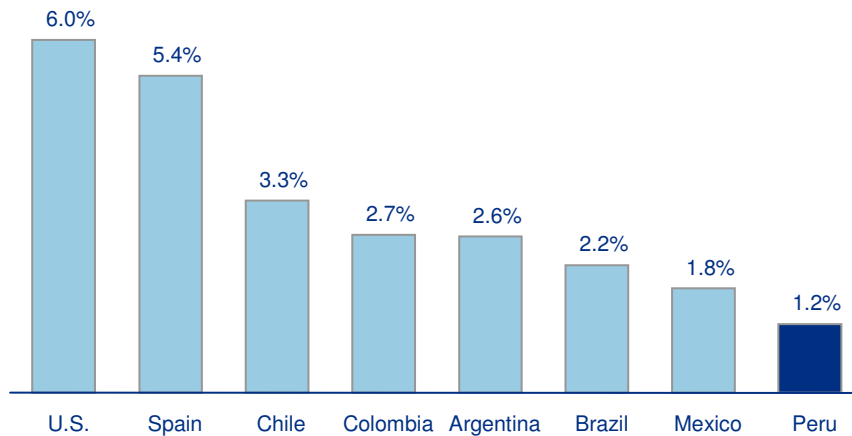
## Retail Loan Penetration (1)



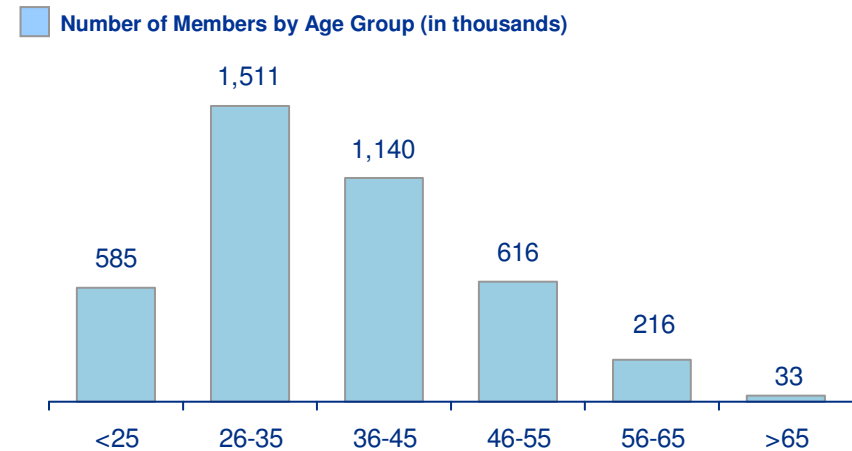
## Credit Cards / Inhabitant



## Total Insurance Premiums / GDP (%)



## Peruvian Private Pension System



Source: SBS, IMF, Felaban, Euromonitor and country banking regulators.

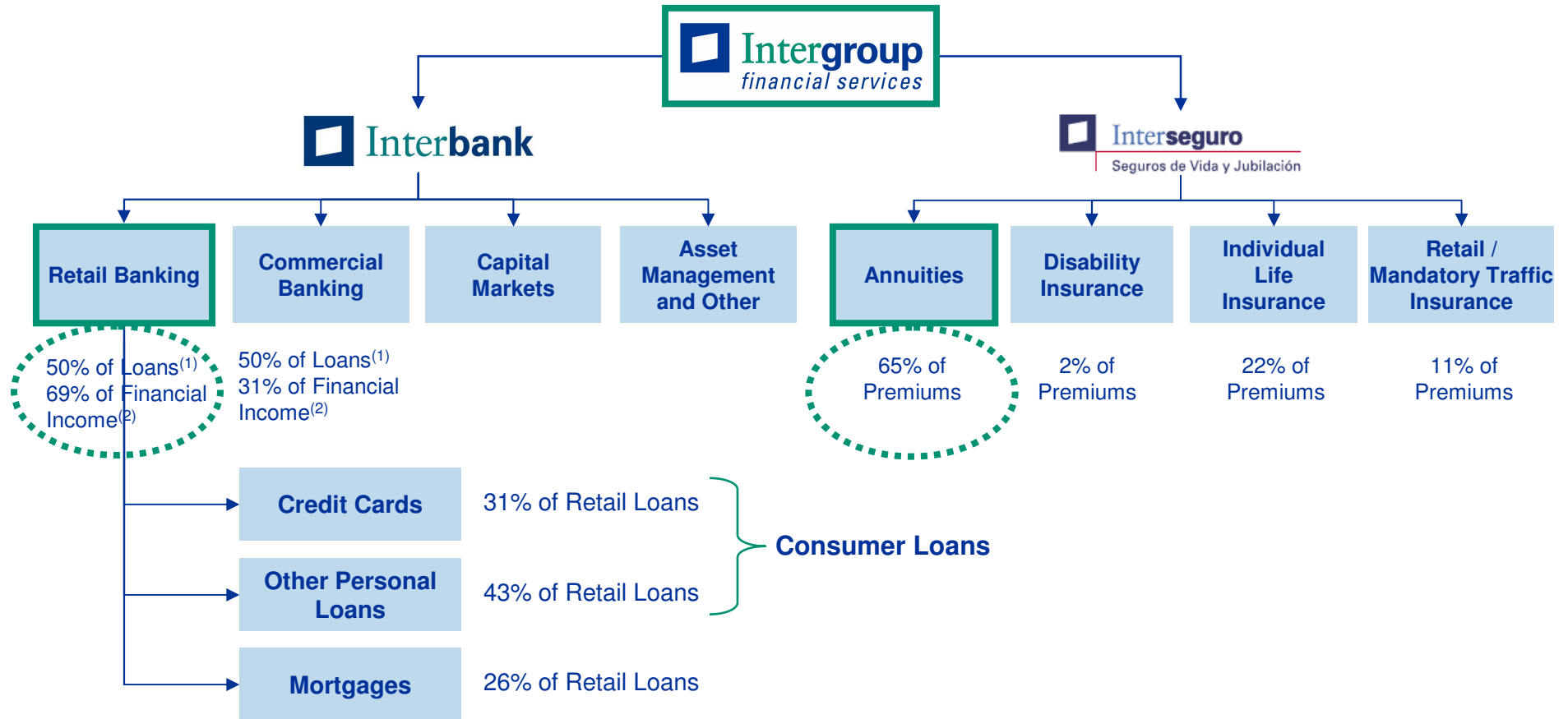
(1) Includes only loans from banking institutions.



### 3. Leading Franchise in Financial Services



# Strategic Focus on Retail Banking and Annuities



**Consumer Loans**

Source: Intergroup and SBS as of September 30, 2008.

Note: Excludes discontinued operations.

(1) Performing loans.

(2) Includes financial income and commissions from performing loans only.

# Clear and Consistent Strategy



## Elements of Our Strategy

- ✓ Convenience
  - Access
  - Agility
- ✓ Superior Service
- ✓ Innovation



## Key Objectives

- ▶ Expand distribution network: double number of financial stores and ATMs from 2006 to 2008
- ▶ Continue developing electronic banking and alternative distribution channels
- ▶ Maintain leadership in annuities
- ▶ Maintain top ranking in customer service
- ▶ Increase cross-selling beyond 1.2 products per customer
- ▶ Expand into new financial segments

**Maintain high profitability with ROE > 25%**

# Interbank: Evolving Focus From Commercial to Retail



S/. million

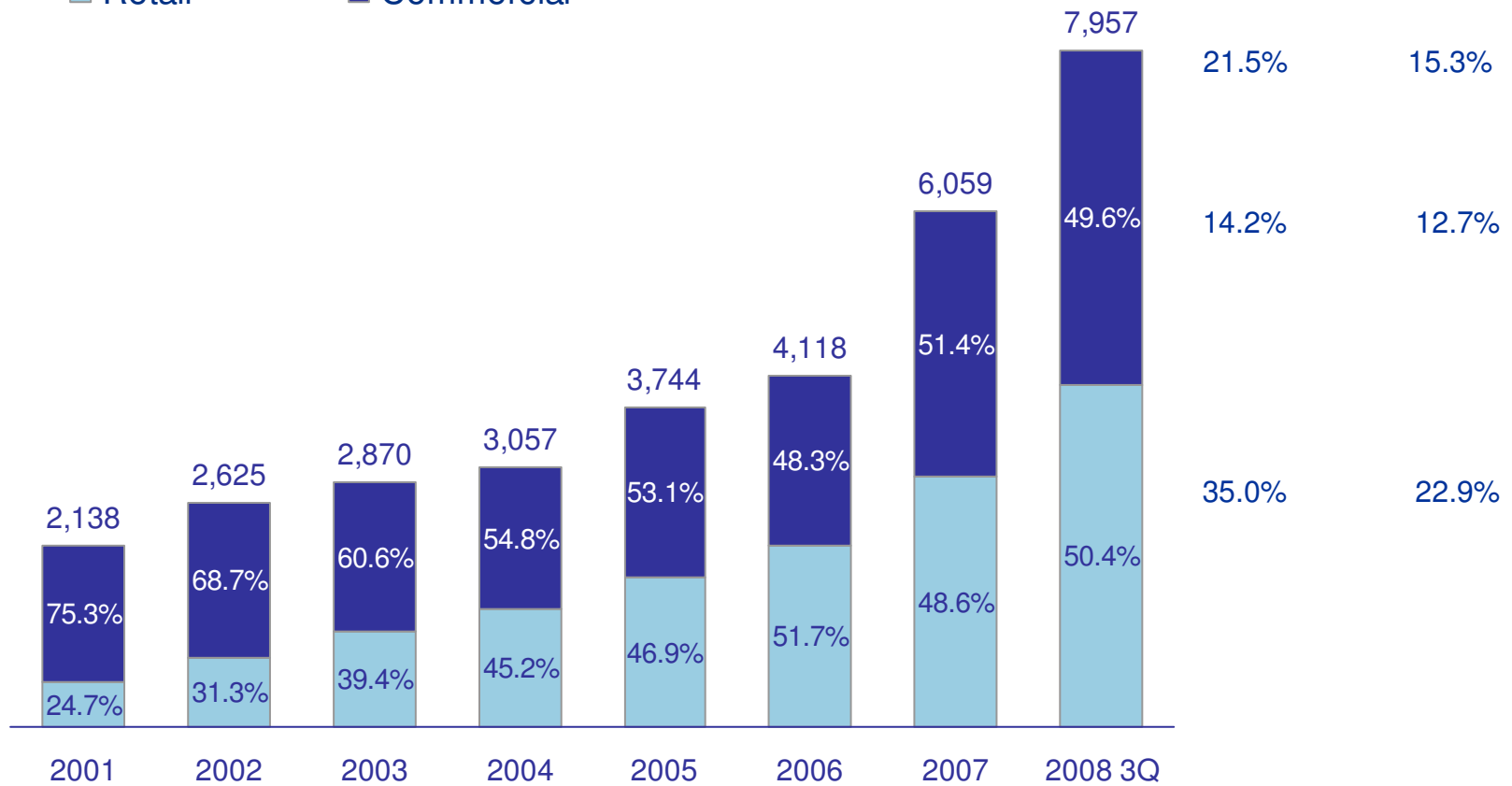
**CAGR**

■ Retail

■ Commercial

**IBK**

**System**



35.0%

22.9%

21.5%

15.3%

14.2%

12.7%

**Retail contribution to financial income<sup>(1)</sup>** 45%



69%

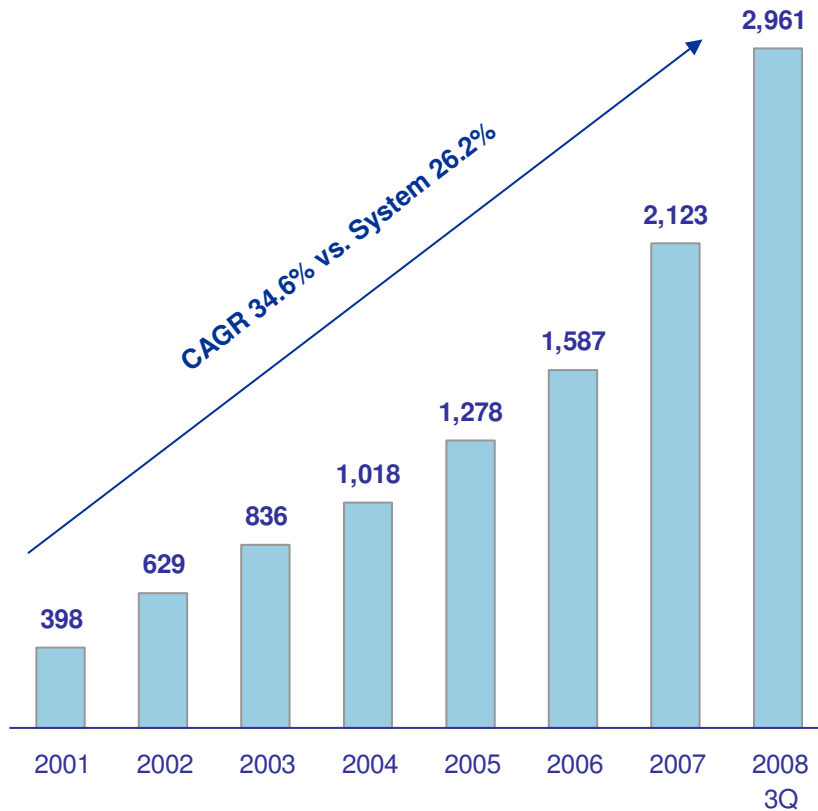
Source: SBS, Asbanc, and Intergroup.

(1) Includes financial income and commissions from performing loans only.

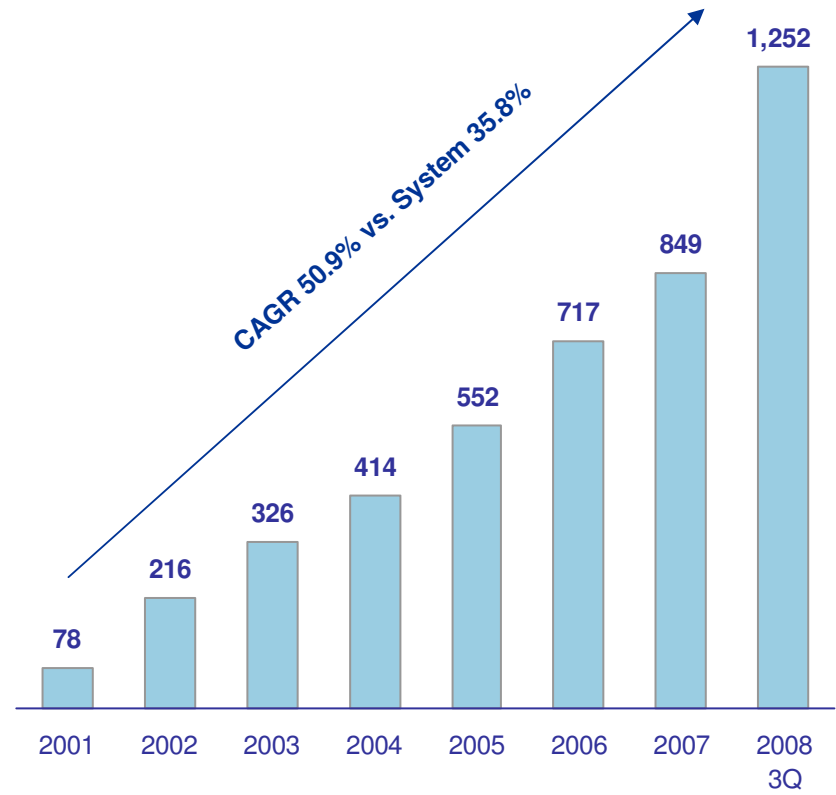
# Interbank: Leading Player in Consumer Banking



Consumer Loans (S/. million)



Retail Credit Card Loans (S/. million)



Market Share



Source: SBS as of September 30, 2008.

Note: Market shares are calculated using only performing loans. Market share for retail credit cards in 2001 is for total credit cards, due to lack of system information for retail credit cards prior to 2004.



## 4. Management Team With Deep Domestic and International Experience





# Experienced and Recognized Management Team



Name	Position	Experience	
		International	Years in Sector
Carlos Rodriguez-Pastor	Chairman Intergroup and Interbank	✓	25
Jorge Flores	CEO Intergroup and Interbank	✓	25
Juan Carlos Vallejo	CEO Interseguro	✓	19
Jose Antonio Rosas	CFO Intergroup	✓	3
Miguel Uccelli	VP Credit Cards Interbank	✓	10
Andres Muñoz	VP Commercial Banking Interbank	✓	21
Carlos Cano	VP Retail Banking Interbank	-	20
Gabriela Prado	VP Risk Management Interbank	-	13
Alfonso Grados	VP IT & Operations Interbank	✓	1
Zelma Acosta-Rubio	General Counsel Interbank	✓	17
Luis Felipe Castellanos	Head of Mortgage Interbank	✓	10
Gonzalo Basadre	Chief Investment Officer Interseguro	✓	12
Ernesto Gonzalez Quattrini	Head of Corporate Affairs Interbank	✓	3
Susana Llosa	Human Resources Manager Interbank	-	11



# Strong Corporate Governance



## Board of Directors

- ▶ **Intergroup:** 5 members (3 independent)
- ▶ **Interbank:** 11 members (6 independent)
- ▶ **Interseguro:** 7 members (3 independent)

## Committees

- ▶ **Intergroup**
  - ▶ Audit Committee (3 board members)
- ▶ **Interbank**
  - ▶ Executive Committee (4 board members and CEO of Interbank)
  - ▶ Audit Committee (3 board members)
- ▶ **Interseguro**
  - ▶ Audit Committee (3 board members)
  - ▶ Investment Committee (3 board members, 2 executive officers, 2 external members)

**Intergroup won the 2008 award for “Transaction with Best Value Creation for Shareholders” at the Third Annual Good Corporate Governance National Contest**





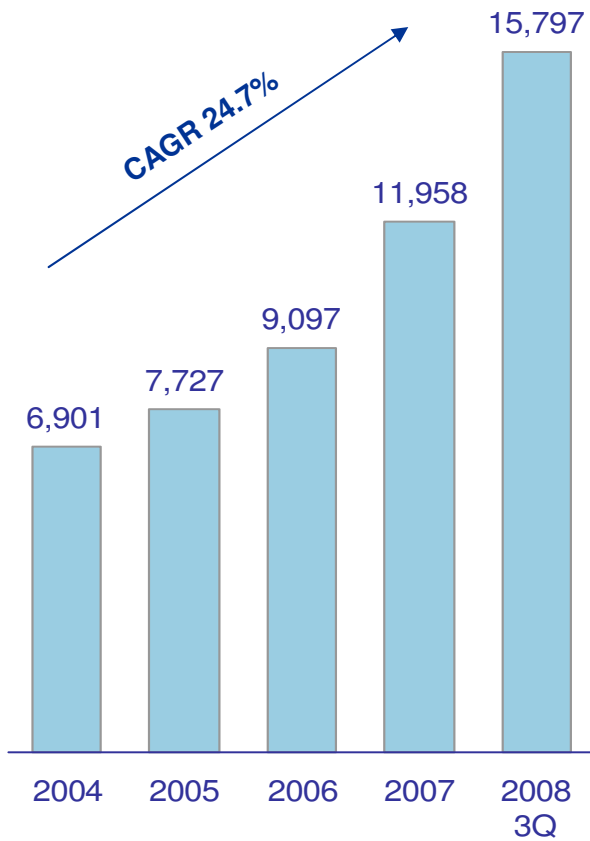
## 5. Demonstrated Ability to Deliver Results



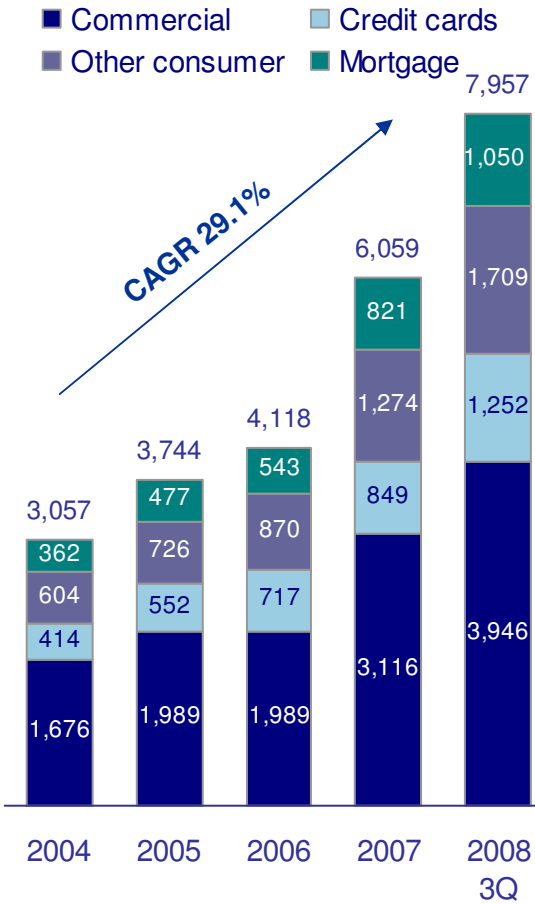
# Strong Asset Growth



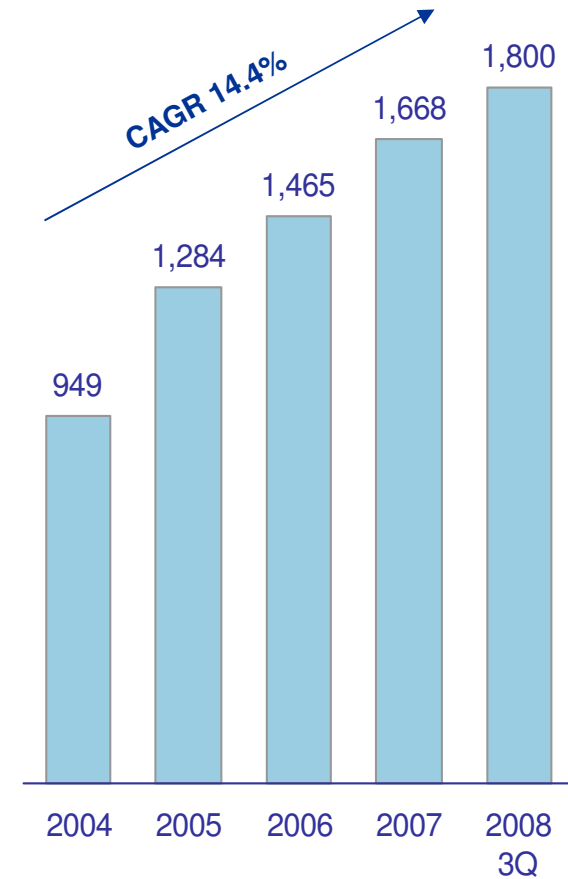
**Intergroup's Total Assets**  
(S/. million)



**Interbank's Loan Portfolio**  
(S/. million)



**Interseguro's Assets**  
(S/. million)

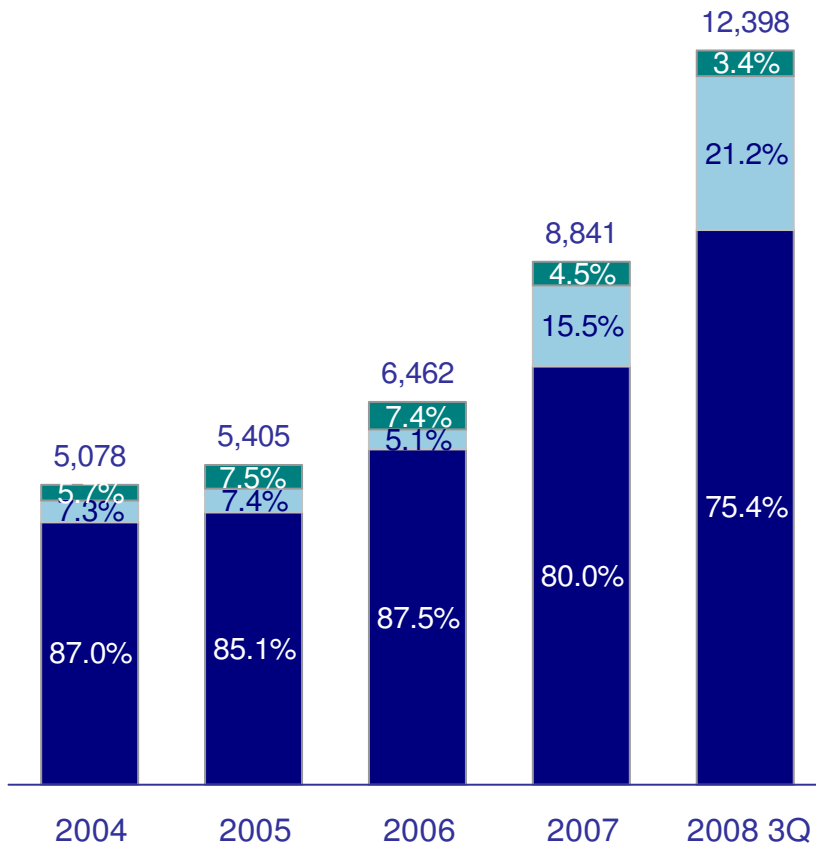


# Stable, Solid Funding



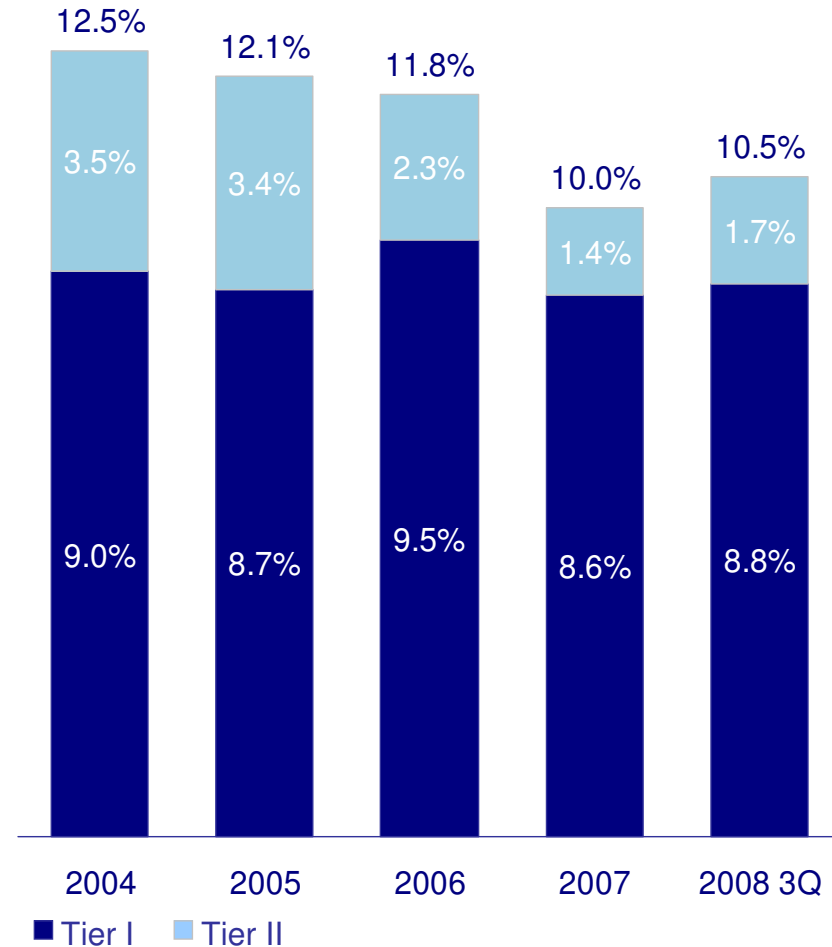
## Funding Based on Core Deposits

■ Deposits ■ Due to banks ■ Other

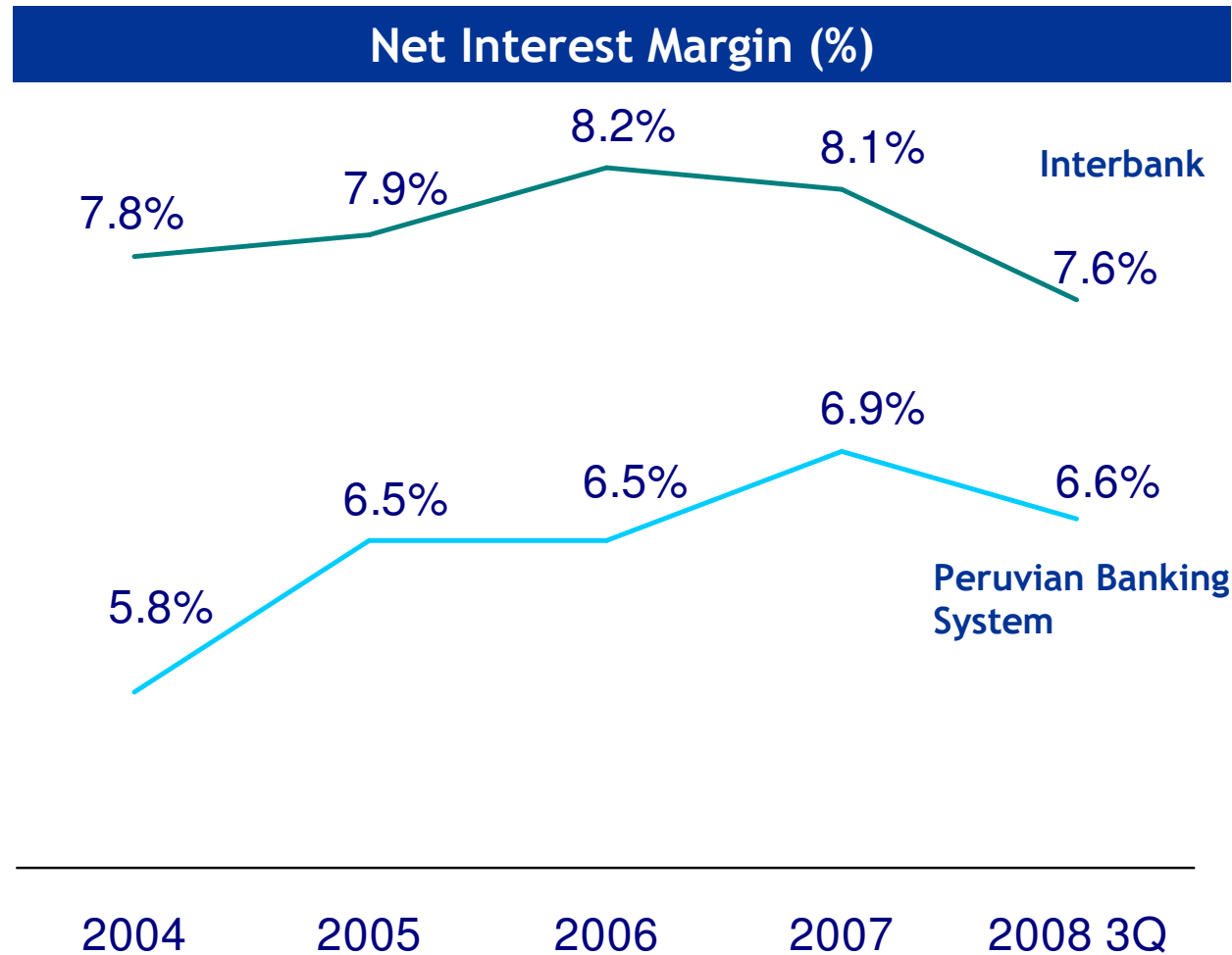


## A Solid Capital Base

Regulatory capital / Risk - weighted assets



# NIM Consistently Higher than the Industry's Average



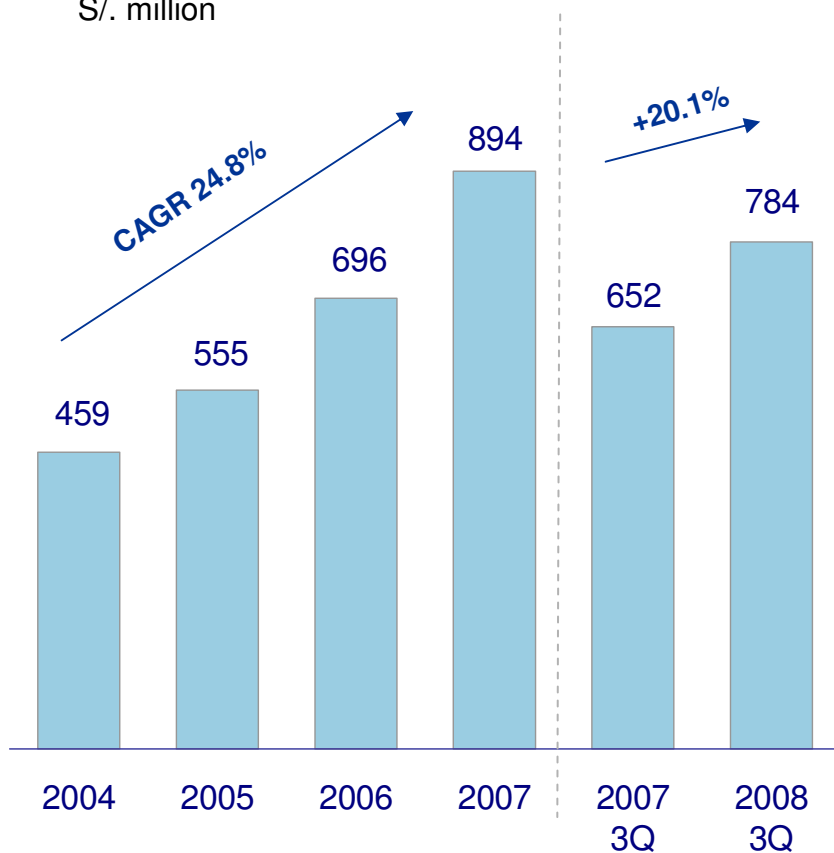
Source: Asbanc.

# Consistent Revenue Growth



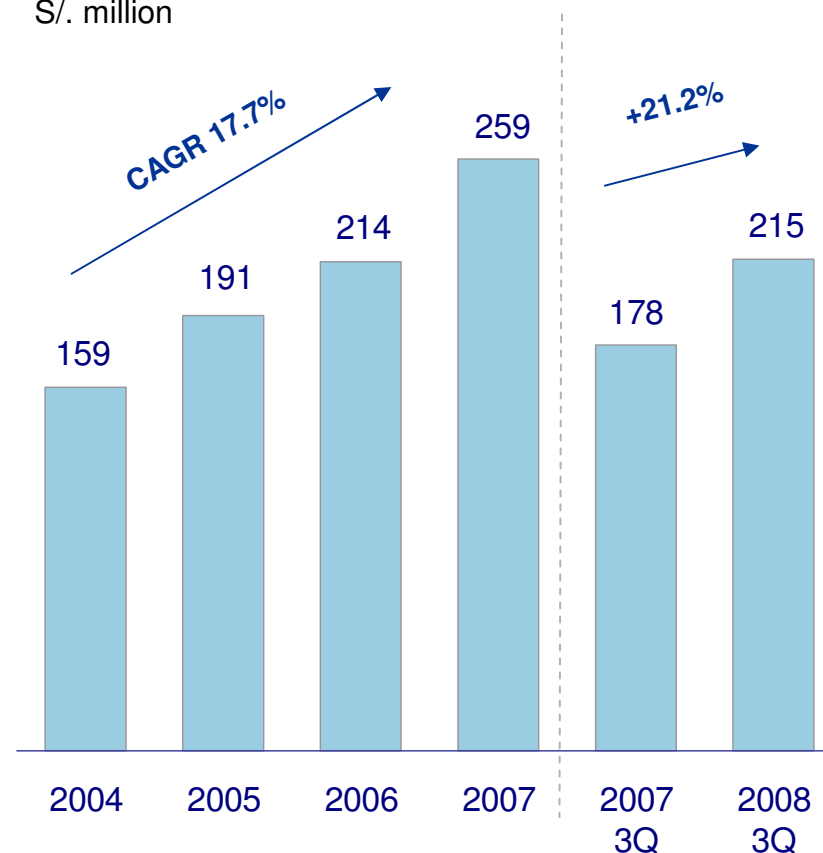
## Gross Financial Margin

S/. million



## Fee Income From Financial Services

S/. million

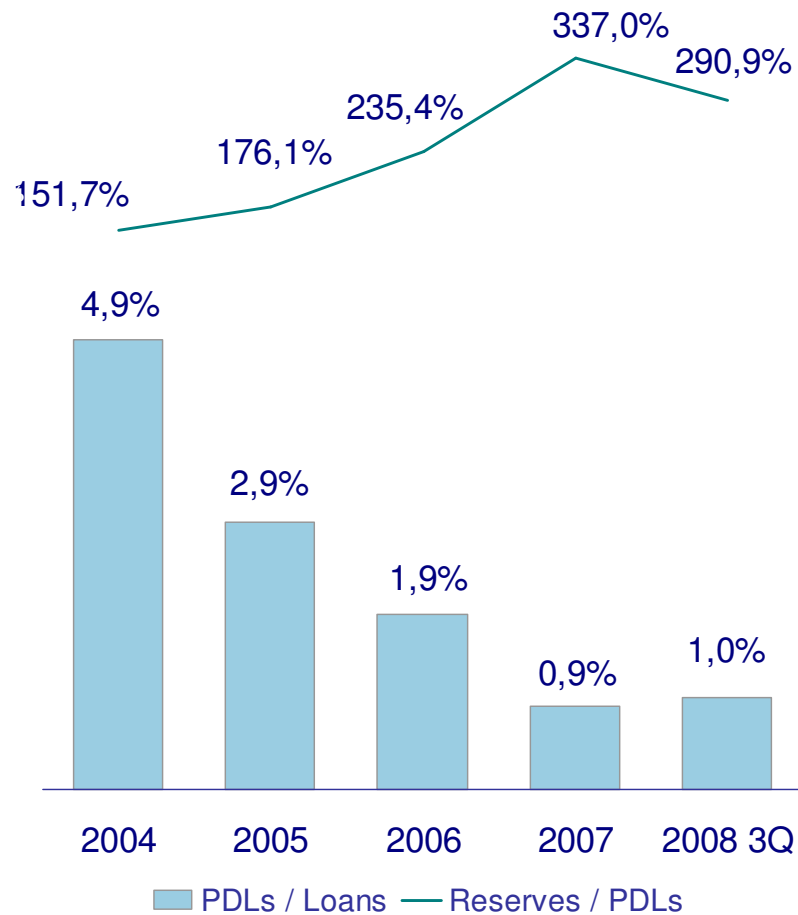


# Strengthening Asset Quality



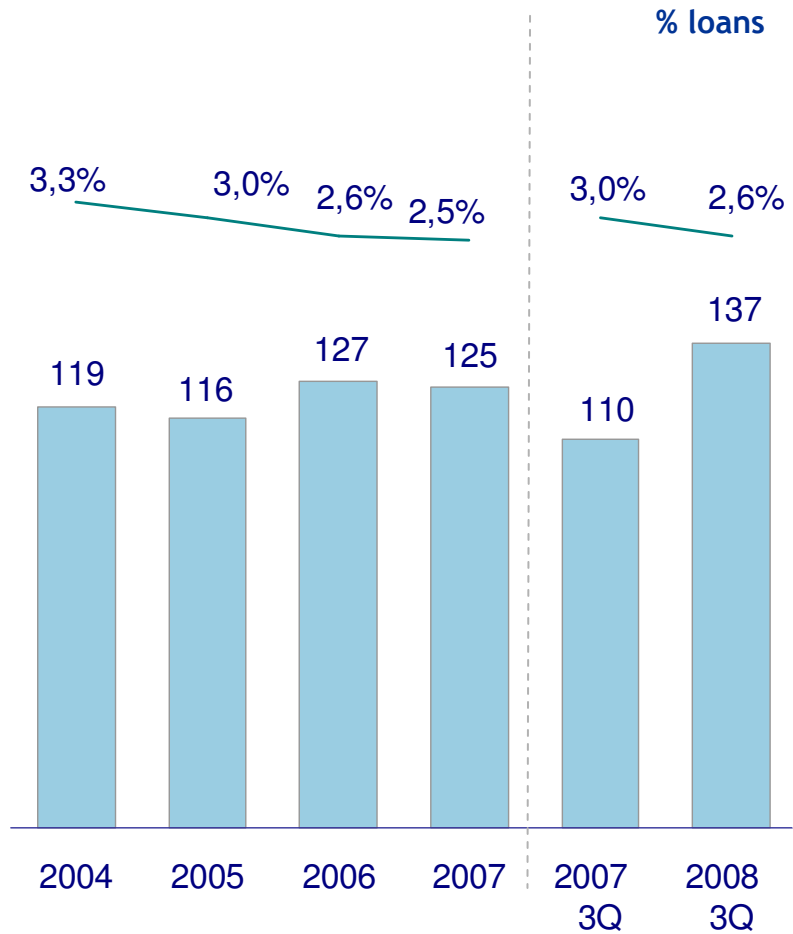
## PDL & Coverage Ratios

S/. million



## Loan Provision Expense

S/. million



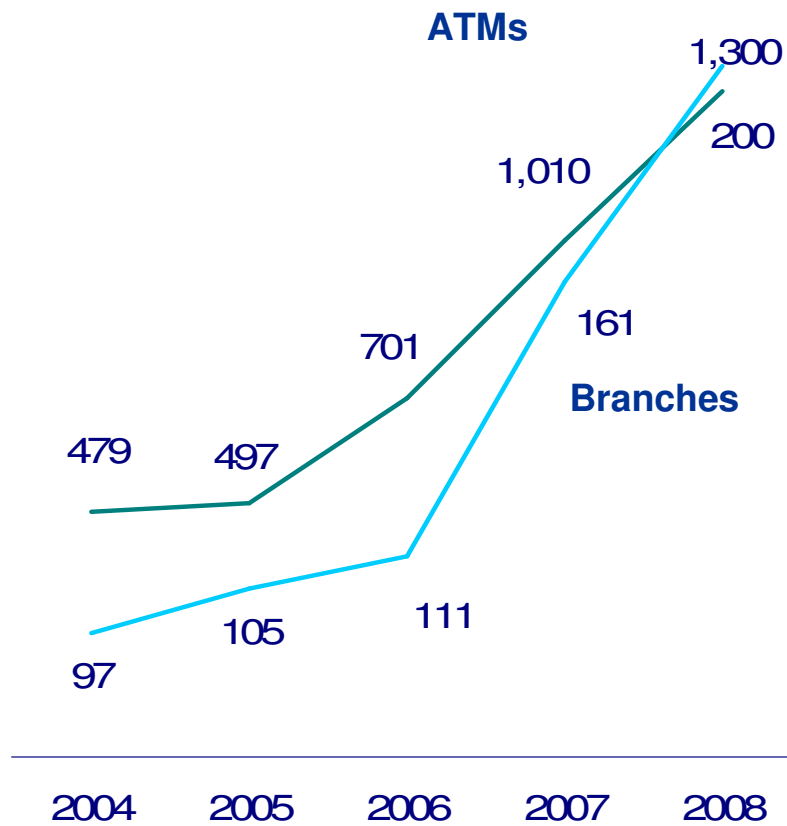


# Expanding Network, Improving Efficiency



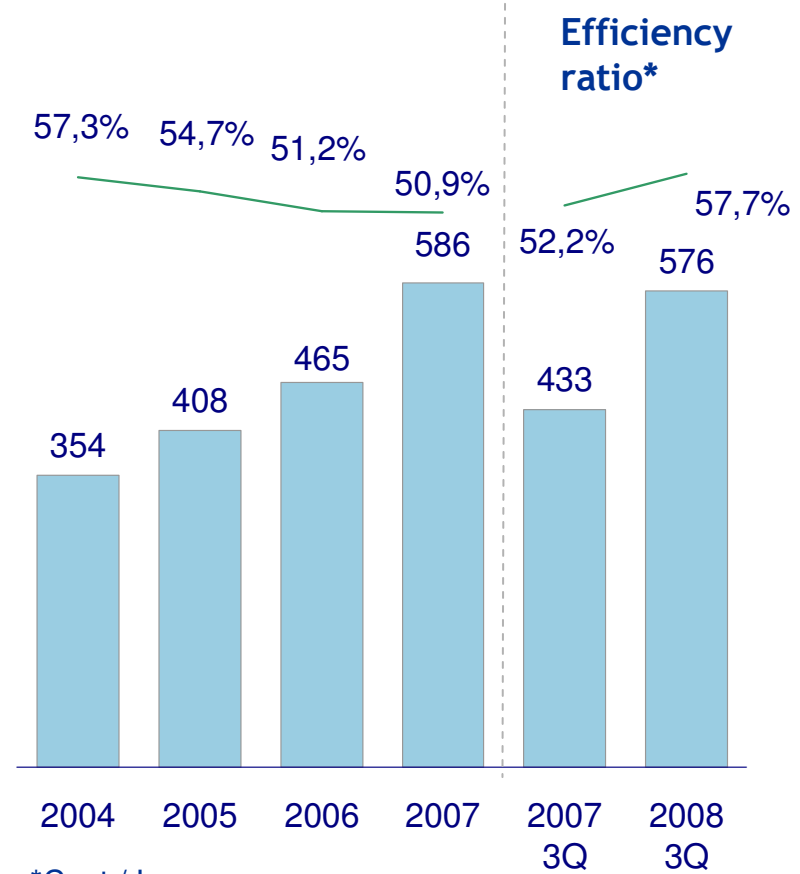
## Interbank's Distribution Network

Units



## Intergroup's Operating Expenses

S/. million

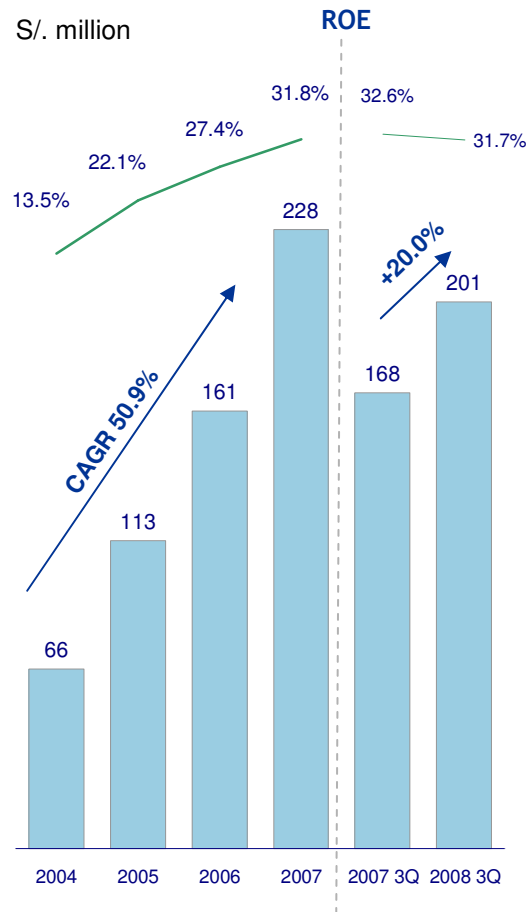


\*Cost / Income

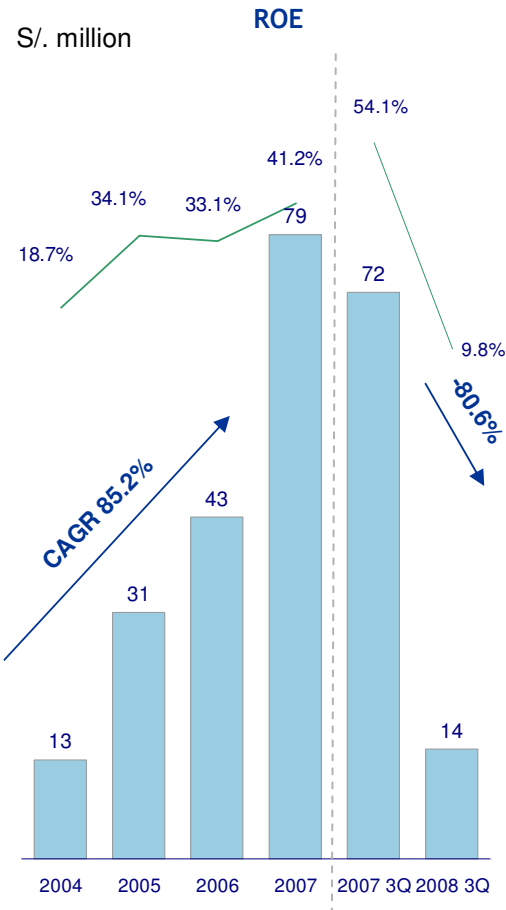
# Significant Growth in Revenues and Earnings



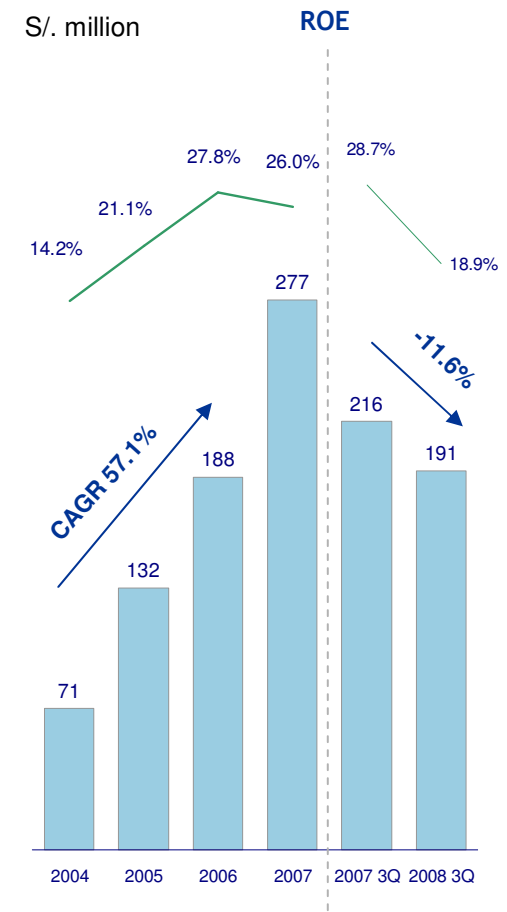
## Net Income - Interbank



## Net Income - Interseguro









## Net Income\* - Intergroup



\*Attributable to Intergroup shareholders

# Key Takeaways



-  **Peru: Best Performing Economy in Latin America**
-  **Strong and Growing Financial System**
-  **Proven Track Record and Focused Strategy**
-  **Leading Franchise in Financial Services**
-  **Management Team With Deep Domestic and International Experience**
-  **Demonstrated Ability to Deliver Results**



 Interbank



**Intergroup**  
*financial services*